

AFRICAN BANK INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1946/021193/06)

(Ordinary share code: ABL) (ISIN: ZAE000030060)

(Hybrid instrument share code: ABLP) (ISIN: ZAE000065215)

("ABIL" or "the Group" or "the Company")

CONDENSED CONSOLIDATED REVIEWED FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2016

HIGHLIGHTS

Total Equity of R1.59 billion

Total cash and cash equivalents of R1.94 billion

HEPS – 29.5 cents per share

EPS – 29.5 cents per shares

Net asset value per ordinary share of 30.8 cents *

** Note: The Net asset value per share is calculated after a notional deduction of preference share equity from total shareholder equity. As the preference shares are non-convertible and non-redeemable, preference shareholders only participate in the equity of the Company on winding up. Net asset value per ordinary share calculated as at 31 March 2016 using total equity is 106.1 cents per share.*

BACKGROUND

Subsequent to the reporting period, on 19 May 2016, the joint business rescue practitioners of the Company filed notice of substantial implementation of the business rescue plan, following which, control of the Company reverted to the directors of ABIL ("the Board").

The Company still owns 100% of The Standard General Insurance Company Limited ("Stangen") which is now the Company's only trading subsidiary.

Since the previous year end, there were no changes in the status of the Company's investments in Residual Debt Services Limited (formerly African Bank Limited) ("RDS") which is still in curatorship and Ellerrine Holdings Limited (in business rescue). Both of these investments were impaired in full in previous financial periods.

ABIL, with dispensation granted by the JSE, did not publish consolidated financial statements for the interim period ended 31 March 2015 and financial year ended 30 September 2015. As a company may only compare financial statements to previously published financial statements, this publication does not include consolidated financial statements for comparative purposes for the six months ended 31 March 2015 and financial year ended 30 September 2015.

FINANCIAL PERFORMANCE

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

The Group reported net profit after tax of R443 million for the six month period ended 31 March 2016. The trading profits were generated exclusively by Stangen.

Headline earnings per share were 29.5 cents for the six months ended 31 March 2016.

CONSOLIDATED STATEMENT OF CASH FLOW

Dividends paid from Stangen to ABIL as a result of Stangen's strong cash generation enabled the business rescue practitioners of ABIL to pay approximately R600 million to the Company's creditors during the six months ended 31 March 2016.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The total shareholder equity is R1.59 billion as at 31 March 2016. The resultant solvency and liquidity ratios confirm the financial stability of the Group.

EVENTS AFTER THE REPORTING PERIOD

ABIL concluded an agreement with African Bank Limited releasing R400 million in cash to the Company which enabled the business rescue practitioners to pay the balance owing to the Company's creditors in full. As a result, the business rescue proceedings of ABIL ended on 19 May 2016.

Following the successful implementation of the business rescue plan and final payment to creditors, ABIL is both solvent and liquid with unencumbered cash reserves of R250 million.

Stangen concluded an agreement with African Bank Limited and RDS in respect of its run-down credit life portfolio effective 1 April 2016. The agreement provides certainty for Stangen on the run-down credit life portfolio and its realisable value. Stangen is no longer exposed to changes in the credit insurance regulatory environment or risk of higher retrenchments emerging in the current economic environment. Stangen remains in a strong financial position.

GOING CONCERN

The Board concluded that the preparation of the financial information on a going concern basis is appropriate.

DIVIDENDS

No ordinary or preference dividends were declared in the current period (2015: Rnil).

DIRECTORATE AND COMPANY SECRETARY

There were no changes to the Board of ABIL during the period under review.

In accordance with paragraph 3.59 of the JSE Listings Requirements, Acorim Proprietary Limited was appointed as ABIL's company secretary with effect from 9 March 2016.

LOOKING AHEAD

The current Board will convene an annual general meeting at which new directors will be proposed to and voted on by ABIL shareholders.

On behalf of the Board

Mutle Mogase
Chairman

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

R million	Reviewed six months ended 31 March 2016
Dividend received	-
Insurance income	918
Interest received	74
Total income	992
Insurance claims	2
Operating costs	(317)
Impairment of financial instruments	(36)
Impairment of subsidiaries	-
Finance costs	(10)
Indirect taxation: VAT	(2)
Profit before taxation	629
Direct taxation: Normal	(186)
Profit for the period	443

Reconciliation between basic earnings and headline earnings

Profit for the period	443
Preference share dividend	-
Basic earnings attributable to ordinary shareholders	443
Adjusted for: Impairment of subsidiaries	-
Headline earnings	443

Earnings per share

Basic and diluted earnings per ordinary share	29.5
Headline earnings per ordinary share	29.5

Weighted number of shares in issue (million) **1,501.0**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R million	Reviewed six months ended 31 March 2016
Assets	
Short-term deposits and cash	1,935
Other assets	577
Investment in subsidiaries	-
Equipment	1
Intangible assets	15
Total assets	2,528
Liabilities and equity	
Taxation	105
Deferred taxation	9
Policyholder liabilities under insurance contracts	443
Borrowings	197
Other liabilities	182
Total liabilities	936
Ordinary shareholders' equity	462
Preference shareholders' equity	1,130
Total equity (capital and reserves)	1,592
Total liabilities and equity	2,528

Tangible net asset value per ordinary share (cents)	29.8
Net asset value per ordinary share (cents)	30.8
Number of shares in issue (million)	1,501.0

CONDENSED STATEMENT OF CHANGES IN EQUITY

R million	Consolidated results				
	Ordinary shares		Ordinary shareholders' equity	Preference share capital and premium	Total
	Share capital and premium	Distributable reserves			
Balance at 30 September 2015	14,650	(14,631)	19	1,130	1,149
Total comprehensive profit for the period	-	443	443	-	443
Balance at 31 March 2016	14,650	(14,188)	462	1,130	1,592

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

R million	Reviewed six months ended 31 March 2016
Cash (utilised) / generated from operations	(44)
Cash receipts	956
Cash paid	(1,000)
Indirect and direct taxation paid	(113)
Cash (outflow) / inflow from operating activities	(157)
Cash outflow from investing activities	(2)
Acquisition of property and equipment	(2)
Cash outflow from financing activities	(273)
Cash outflow from funding activities	(273)
(Decrease) / increase in cash and cash equivalents	(432)
Cash and cash equivalents at the beginning of the period	2,367
Cash and cash equivalents at the end of the period	1,935

NOTES TO THE FINANCIAL STATEMENTS

NET ASSET VALUE PER SHARE

Net asset value per share

Total equity	1,592
Less Preference shareholders equity	(1,130)

Equity attributable to ordinary shareholders **462**

Total number of shares in issue (million) 1,501

NAV per ordinary share (cents) **30.8**

** Note: The Net asset value per share is calculated after a notional deduction of preference share equity from total shareholder equity. As the preference shares are non-convertible and non-redeemable preference shareholders only participate in the equity of the Company on winding up. Net asset value per ordinary share calculated as at 31 March 2016 using total equity is 106.1 cents per share.*

CONDENSED CONSOLIDATED SEGMENTAL REVENUE AND RESULTS

31 March 2016			
R million	Insurance	Corporate	Total
Net income	918	-	918
EBITDA	617	(16)	601
Interest received	60	14	74
Impairment of financial instruments	(15)	(21)	(36)
Finance costs	-	(10)	(10)
Profit before taxation attributable to shareholders	662	(33)	629
Total assets	1,827	701	2,528
Total liabilities	591	345	936

AUDITORS' REPORT

"The accompanying financial information has been reviewed by the independent auditors, Grant Thornton Johannesburg Partnership.

These interim condensed consolidated financial statements for the period ended 31 March 2016 have been reviewed by Grant Thornton Johannesburg Partnership who expressed a modified review conclusion as follows:

BASIS FOR ADVERSE REVIEW CONCLUSION ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The company is required in terms of International Financial Reporting Standards (IAS 34) Interim Financial Reporting to include comparative financial information in respect of the preceding period to its interim financial information. As described in the commentary to the financial information the company did not publish condensed consolidated financial statements for the financial year ended 30 September 2015 nor for the six months ended 31 March 2015. As a company may only provide comparative financial information that has previously been published in terms of the JSE listings Requirements, this publication does not include condensed consolidated financial statements for comparison purposes for the six months ended 31 March 2015 and financial year ended 30 September 2015.

CONCLUSION

Based on our review, due to the non-disclosure of comparative information as Basis for Adverse Conclusion paragraph, we conclude that the accompanying condensed consolidated financial statements do not present fairly the financial position of African Bank Investments Limited as at 31 March 2016 and its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act. We have reported such matters to the Independent Regulatory Board for Auditors. The Annual General Meeting has not been held within 15 months from the previous Annual General Meeting as required by Section 61(7) of the Companies Act.”

A copy of the auditor’s review report is available for inspection at the company’s registered office together with the financial statements identified in the auditor’s report.

BASIS OF PREPARATION

The preparation of this financial information was supervised by Ebrahim Mullah B.Compt (Hons).

This condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board, Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Listings Requirements of JSE Limited and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa (Act 71 of 2008) as amended.

The accounting policies, methods of computation and their application are consistent with International Financial Reporting Standards and have been applied consistently to the interim period presented in these financial statements. A copy of the review opinion is available for inspection at the Company’s registered offices.

Johannesburg
30 June 2016

SPONSOR

Merchantec Capital

BOARD OF DIRECTORS

Independent non-executive: MC Mogase (Chairman), Advocate MF Gumbi, NB Langa-Royds, M Mthombeni, RJ Symmonds, N Adams

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REGISTERED OFFICE

52 Corlett Drive, Wanderers Office Park, Illovo, South Africa, 2196
Private Bag X31, Northlands, South Africa, 2116

COMPANY SECRETARY

Acorim Proprietary Limited

SHARE TRANSFER SECRETARIES

Link Market Services South Africa Proprietary Limited

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